Strategic Alliances & Customer Impact: A Case Study Of Community Hospitals

Mary Helen McSweeney-Feld, Iona College, USA
Suzanne Discenza, Park University, USA
George L. De Feis, Iona College, USA

ABSTRACT

A strategic alliance (SA) is a mutually beneficial long-term formal relationship formed between two or more parties to pursue a set of agreed upon goals or to meet a critical business need while remaining independent organizations. It is a synergistic arrangement whereby two or more organizations agree to cooperate in the carrying out of a business activity where each brings different strengths and capabilities to the arrangement. The social structure of alliances has been considered previously (Gulati 1995, et al.), so instead of discussing the social structure relative to alliance partners, this paper looks at the relationship between the dyad alliance entity and its customer(s). This newer aspect is particularly important when there are differences in trust and culture to consider (Das & Teng 1998) between alliance partners. Other considerations include authority, governance and structure, conflict, and the make-up of the strategic alliance, its partners, and the customer(s).

Keywords: Strategic alliance, customer, hospitals, goal achievement, cohesiveness, organizational life cycle, alliance sustainability, partnership

INTRODUCTION

A *strategic alliance* (SA) is a mutually beneficial long-term formal relationship formed between two or more parties to pursue a set of agreed upon goals or to meet a critical business need while allowing these parties to remain independent organizations. It is a synergistic arrangement whereby two or more organizations agree to cooperate in the carrying out of a business activity where each brings different strengths and capabilities to the arrangement. The social structure of alliances has been considered previously (Gulati 1995, et al.), so instead of discussing the social structure relative to alliance partners, this paper looks at the relationship between the dyad alliance entity and its customer(s). This newer aspect is particularly important when there are differences in trust and culture to consider (Das & Teng 1998) between alliance partners. Other considerations include authority, governance and structure, conflict, and the make-up of the strategic alliance, its partners, and its customer(s).

This paper considers this new framework as applied to cases of community hospital networks and alliances in the healthcare industry. Understanding the type of strategic alliance, as well as the relationship between the alliance and its customer(s), will also further an understanding of the sustainability (or lack thereof) of the strategic alliance.

This paper not only focuses on the strategic alliance (SA) – customer (C) relationship within community hospital settings, but also provides a framework for analyzing the type of alliance, conditions for alliance sustainability and consequent outcomes for the patient/customer base (i.e., better service outcomes, cost outcomes or quality outcomes). Much has been written about the relationship between *strategic alliance partners*, relative to trust, culture, authority, governance and structure, and conflict (Das & Teng 1996, 2001; Oliver 1990); however, these same issues when considered in the *strategic alliance - customer relationship* have not been researched or analyzed sufficiently, nor have examples of this construct been applied to particular industries.

These issues are relevant and important, as well, to the strategic alliance – customer relationship for the obvious reason that it is the customer who is the reason for the formation of a strategic alliance (or seller) for the provision of goods and services in the first place. Without this customer, no seller need exist. The healthcare industry uses teams of service providers (networks and affiliations), formalized into strategic alliances, to service particular patients (customers). A review of cases of different varieties of strategic alliances in community hospital settings provides an initial examination of the validity of the construct, and grounds for future research.

LITERATURE REVIEW

Strategic alliances are the result of the business world moving from competitiveness to cooperativeness, and based on *transaction cost economics* (Williamson 1979, 1985) where alliances allow organizations to take advantage of economies of scale and scope. There is also a *resource-based view* of the formation of strategic alliances (Eisenhardt & Schoonhoven 1996; Gulati 1995). In this view, strategic alliances are the manifestation of highly cooperative (and not competitive) strategies in organizations, and enable the harnessing of the specific resources and skills of each organization in order to achieve greater common goals for the dyad or triad, as well as goals specific to the individual partners. In other words, under strategic alliances "one plus one equals three" (1 + 1 = 3) (Varadarajan & Cunningham 1995).

Strategic alliances are increasingly becoming the vehicle of choice when competing in today's complex and unstable business world. Such alliances take the form of contracts (examples: licensing agreements, supplier contracts) and joint ventures, which are new entities that are mostly independent of the parent firms although the parent firms will maintain some control through their management participation on the alliance (Daft 1998). A strategic alliance is one example of several modes of establishing interorganizational linkages that serve to assist organizations in trying to control and maximize their environment.

According to Das & Teng, "strategic alliances are interfirm cooperative arrangements aimed at achieving the strategic objectives of the partners" (Das & Teng, 1998, p. 491). Kanter (1994), who wrote a well-known article, "Collaborative Advantage: The Art of Alliances", focused on the importance (value) and current-day prevalence of alliances between companies. Strategic alliances have become "key corporate assets," yielding for the company pair (dyad) what she calls *collaborative advantage*, which is similar to *comparative advantage* and strategy's *competitive advantage*. Kanter considered a diverse group of 37 companies (and their partners) from 11 parts of the world. The companies were large and small, in the manufacturing and service sectors, i.e., very diverse. Three findings were concluded: (a) alliances must yield benefits for partners; (b) alliances that both partners deem successful involve *collaboration*, not just *exchange*; (c) alliances cannot be controlled by formal systems (Kanter, 1994).

Through many analogies about marriage between people, Kanter (1994) characterized the criteria for successful organizational relationships, including partner selection (i.e., self-analysis, chemistry, and compatibility), individual excellence, importance, interdependence, investment, information, integration, institutionalization, and integrity. However, relative to the benefits of alliances, and what is important to their success, especially awareness and sensitivity to political, cultural, organizational and human issues, there was a lack of focus in two main areas: (a) *risk* – how to handle the failure of an alliance, how to get out of an alliance (even if it is not failing), and what is at stake; and (b) *rational partner behavior*. For (a) *risk*, if they are to succeed, according to Kanter's criteria, there must be interdependence, information access/exchange, perhaps even full disclosure or at least some access to invaluable strategic information (e.g., plans, competitor information/ analyses, core competencies, etc.). If such information were to be obtained by competitors – of which the alliance partner may have been one in the past, or may be one in the future – and if loss of that information could potentially result in the demise of a company, how then could this risk be managed, so that the criteria important for a successful alliance is achieved, yet all is not lost if the alliance fails? Additionally, interdependence could result in one partner "losing" competitive advantages or internal competencies by sharing such information. For example, if a task was originally performed by both partners and is now assigned to one partner, the other partner may lose this capability or efficiency therein.

On (b) *rational partner behavior*, the partners in business alliances will, ultimately, act rationally, i.e., in their own self-interest, and while each may want the alliance to succeed, it would be because of the benefits each expects to gain from the alliance, not because of any interest in their partner's success. That is, if partners were to

rank the three entities involved in an alliance (i.e., themselves, their partners, and the partnership/alliance) in terms of importance or hope for success, then each partner would rank the list as: (first) their own success, (second) the success of the partnership, and (third) their partner's success. The latter, however, would not be for their partner's ultimate success, since that may be at their own expense, but for the benefits they would continue to reap if the alliance's success was sustained.

Ireland, Hitt, and Vaidyanath (2002) claim that "strategic alliances are an important source of resources, learning, and thereby competitive advantage … few firms have all the resources needed to compete effectively in the current dynamic landscape" (Ireland et al, 2002, p. 413). However, these resources must be managed to gain the joint competitive and collaborative advantage. Yet, this article did not seem to address client impact, i.e., client perception/interest in alliances. There could be many benefits for clients who hire an alliance, which could potentially achieve more together than separately, e.g., presumably at lower cost, in less time, more efficiently, etc. Alliances, however, could serve to reduce competition and therefore could potentially produce negative results associated with this phenomenon. For example, if there are originally ten companies which could compete for a project, but five of them each partner with one of the other five firms through business alliances, the result would be five alliances now competing for the project, and competition would have been reduced. The point here is that the customer side has not been sufficiently addressed.

Das & Teng (1996-2004) and Ring & Van de Ven (1992) examine control, performance, risk, trust, and the governance and structuring of cooperative relationships between organizations, all considering the alliance partner-to-alliance partner relationship as the unit of analysis and consideration. The consideration of the *customer* – the one for whom the strategic alliance really exists – in the strategic alliance relationship has not been considered as a unit of analysis in the growing research and literature concerning strategic alliances.

Strategic alliances do not exist for their own good per se; they exist for the reasons that all sellers exist: to provide goods and services to a willing buyer. A strategic alliance does serve the mutual self-interest of the alliance partners in the way of complementary business lines, geography, and skills. However, as noted previously, there is no need for a strategic alliance, or any other seller, if there is not a willing buyer, or more broadly, consumer demand (Simonin 1999).

Four factors influence customer buying behavior: *buyer characteristics*, *seller characteristics*, *product characteristics*, and *situational characteristics* (Kotler 1980). Accordingly, whether the seller is a single firm or a dyad is an element of the seller's characteristics which will influence, positively, neutrally, or negatively, customer buying behavior. A strategic alliance is a special hybrid of the single-firm seller unit; it is a cooperative of two single-firm sellers that endeavors to operate as one single-firm seller, yet there are important differences and considerations.

Gulati (1995) explored how social structure affects interfirm alliance formation patterns, and proposes that the social context emerging from prior alliances and considerations of strategic interdependence influence partnership decisions between firms. The 'social network' facilitates new alliances by providing information relative to capabilities and reliability of potential partners. Comprehensive, longitudinal, multi-industry data were studied on strategic alliances formed between 1970 and 1989. Results are consistent with strategic interdependence and social structure, and the interaction between the two.

Thus, we know plenty about the alliance partner -to- alliance partner relationship, but we do not know enough about the alliance - to - customer relationship.

SINGLE FIRM (SF) – CUSTOMER (C) RELATIONSHIP

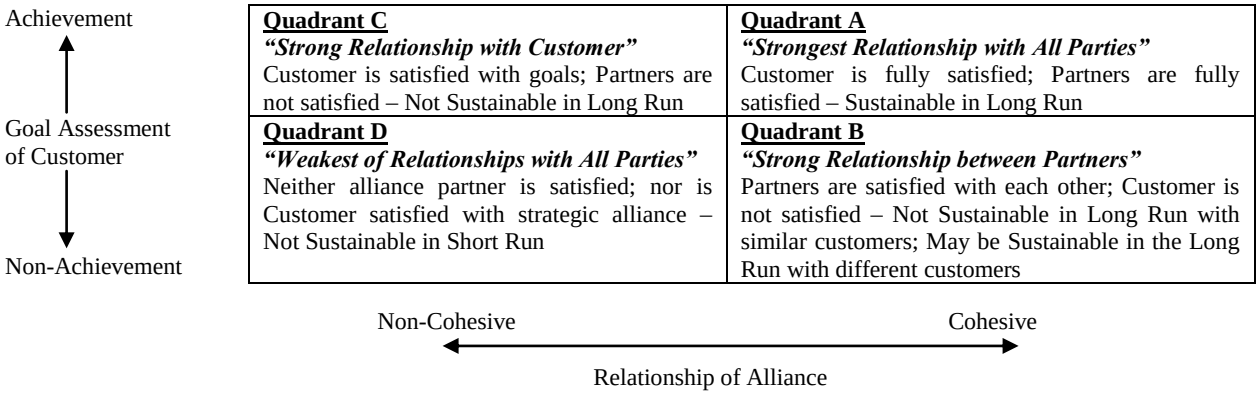
The traditional mode of engaging in business, i.e., the market exchange between buyer and seller, is characterized by one buyer (customer) and one seller (single-firm). In a competitive marketplace, a buyer will typically have many choices in selecting a seller from whom to buy products or services. Exchanges (purchases) that result are facilitated by consumer need, product/service attributes, post-sale support, marketing (product, price, promotion and physical distribution), etc. (Kotler 1980).

The relationship between the single-firm seller and customer may be characterized as a transaction-based activity where one party (customer) demands a good/service, and the other party (seller) provides the demanded good/service for an agreed upon payment price. While many individuals within the buyer and seller firms may be involved internally within their own firms, there is ultimately just one buyer and one seller (single-firm). There are important issues relative to this traditional buyer - seller relationship regarding authority, governance and structure, conflict, trust, and culture (Doney & Cannon, 1997) that vary when the seller is no longer a single firm. Teich (1997) analyzed the buyer – seller relationship, relative to the buyer's (customer's) seller selection process, indicating that customers use a three-phase process in selecting a seller, including analysis of capabilities of the firm, competitiveness (price), and quality of their relationship with the potential seller, which is more than just 'satisfactory' past transactions: "a culture (corporate) committed to significant values creates a quality customer relationship" (Teich, 1997: 21). That a strategic alliance alters the capability of the seller (presumably for the better), affects the price competitiveness of the seller dyad (in which direction is unclear), and changes the selling entity (from perhaps one or two known entities to more of a hybrid), may impact the selection process, and may affect the ensuing relationship once selection has been completed.

THE STRATEGIC ALLIANCE (SA) – CUSTOMER (C) RELATIONSHIP

As noted previously, much has been written about the relationship between strategic alliance partners (Das & Teng, 1996 - 2004; Kanter, 1994; Ring & Van de Ven, 1992), relative to authority, governance and structure, conflict, trust, and culture. However, not much has been written on the strategic alliance-customer relationship, which is very different, albeit subtly. Figure 1 offers a model for demonstrating how the relationship, or cohesion, between strategic alliance partners impacts satisfaction on the part of the customer with the goals set forth by the alliance.

Figure 1: Framework Model of the Relationship Strength between Alliance Partners and Goal Assessment by Customers (© De Feis 2009)



The above yields an explanatory two-by-two ("2 x 2"} framework, with one axis measuring the continuum from lack of cohesion between partners to the cohesion between partners. The other axis measures the continuum between the perceived non-achievement of goals by the customer to the achievement of goals envisioned by the customer. Quadrants A, B, C, and D are the four (4) possible outcomes for the strategic alliance (SA) – Customer (C) engagement.

When there is a cohesive bond between strategic alliance partners, and the alliance is achieving the goals set forth by the customer, the relationship between the strategic alliance (SA) and the customer (C), is at its "strongest." The alliance is sustainable in the long run (**Quadrant A**). When the alliance is cohesive, but not achieving the goals of the customer, the strategic alliance is only (possibly) sustainable with other customers (**Quadrant B**). When there is a lack of cohesion between the partners in a strategic alliance, perhaps due to some problem with some or all of the following – trust, culture, authority, governance or structure, or conflict, even

though the alliance is satisfying to the customer, the alliance is not sustainable in the long run, even when fulfilling goals of the customer (**Quadrant C**). And, when the alliance is not cohesive (for reasons stated earlier), and not fulfilling the goals of the customer, the alliance is not sustainable, even in the short run. Here the alliance-customer relationship is at its "weakest" (**Quadrant D**).

What are the positives and negatives (pros and cons) *for the customer* in engaging an entity that is a strategic alliance as opposed to a single-firm seller? What are the *customer's perceptions* of, and what would its interest be, in engaging a strategic alliance? Certainly, some benefits that accrue to the alliance partners (complementary skills, capital investment capability, increased operational efficiency, etc.) could also benefit the customer. Strategic alliances, however, also pose some negative issues as well. Do intra-industry alliances tend to reduce competition, and therefore result in oligopolistic behavior by the alliances? What would be the impact on the customers of that industry? From the customer's standpoint, much research in this area needs to be undertaken.

DIFFERENCES IN THE 'SF – C' RELATIONSHIP AND THE 'SA – C' RELATIONSHIP

Various dimensions that are available in considering/describing any relationship between two entities will be useful to distinguish the single-firm – customer (SF – C) relationship from the strategic alliance – customer (SA – C) relationship. These dimensions are: (1) authority, (2) governance and structure, (3) conflict, (4) trust, and (5) culture. Thus, there might exist a relationship between the strategic alliance and customer (SA – C) that is transaction driven (Williamson 1979), where the dimensions to describe are authority as well as governance and structure, or we could have a SA – C relationship that is alternatively built on trust and culture (Doney, et al. 1998). In the SA – C relationship solution, potential problems arise which can be solved using game theory, while the SF – C relationship is less complex and more straightforward in resolution.

HOSPITALS AND STRATEGIC ALLIANCES

Early research on hospitals and strategic alliances in the 1990s focused on the economic impact of these alliances on hospital financial performance (Clement et al, 1997). Initial findings were that hospitals in strategic alliances yielded higher net revenues, but they were not effective at controlling costs or producing higher cash flow as a result of being in the alliance. With the growth of integrated health care delivery systems, strategic alliances were studied as an approach for efficient development of health care service delivery systems in the face of health care reform (Kaluzny, Zuckerman & Ricketts, 2002). Similar to themes in the management literature, Stein (2002) alluded to the fragility of strategic alliances, as well as issues of trust and compatibility of culture and values if the strategic alliance was to be successful.

Stein also identified three types (which we will refer to as "stages") of strategic alliances in health care: (1) those that pool resources so the cost of purchasing supplies and services is greatly reduced; (2) those that ally to exploit an opportunity, such as exists in a joint venture, or (3) those that link their systems in a formalized partnership or affiliation agreement. The first type of alliance is the weakest relationship, since it exists only to take advantage of economies of scale in the purchase of supplies or common services. The third type of relationship would result in a true integrative system partnership where health care organizations would evolve into related centers of excellence, thereby allocating scarce resources in an effective fashion and having the potential for creating customer value and positive clinical outcomes. These relationships are sometimes referred to as "stakeholder alliances" (Kanter, 1989) or "systemic networks" (Johnston & Lawrence, 1988). Thus, a life cycle of strategic alliances, i.e., the growth and development of an alliance from a weaker purchasing cooperative to a formalized affiliation of organizations seeking to be centers of excellence in care, can exist among healthcare organizations. Furthermore, changes in public policy can affect the development of strategic alliances, and force partners to work together to create greater efficiencies in their operations (Longest, 1994).

How effective are strategic alliances in healthcare? Judge and Ryman (2001) examined strategic alliances and shared leadership challenges in light of customer relationships, concluding that creating customer value should be the primary focus of healthcare executives seeking to form successful alliances. Kaluzny and Zuckerman (1992) suggest that the effectiveness of healthcare alliances be examined from a variance and process perspective; i.e., are there changes in financial performance or market share (variances), or are there changes in problems faced in early

stages vs. later stages (process). Looking at the process perspective, impact on level of patient/customer care or service as well as customer clinical outcomes could be problems faced in later stages of strategic alliances. Those that survive, and are effective in this scenario, are the ones that evolve to meet growing levels of customer satisfaction and demands for increased quality of care.

COMMUNITY HOSPITALS AND STRATEGIC ALLIANCES: A CASE STUDY

Using these frameworks, two community hospital systems, both in the Northeast, were examined for evidence of a life cycle in strategic alliances (i.e., an evolution from weaker to stronger firm relationships) and positive impact on customer relationships.

Case 1: Stellaris Health Network, Armonk, New York

In 1996, Stellaris Health Network was formed as an alliance of two Westchester County community hospitals, Northern Westchester Hospital in Mount Kisco, NY, and White Plains Hospital in White Plains, NY, to address issues of supply chain management of consolidated business functions (i.e., purchases of administrative services such as information technology, insurance contracting and HIPAA compliance). In 1997, two additional community hospitals, Lawrence Hospital in Bronxville, NY, and Phelps Memorial Hospital in Sleepy Hollow, NY, joined the network, and in 2000 the Network sponsored the formation of an Emergency Medical Service, Starnet Emergency Services, to provide municipal emergency services to nearly one third of businesses and residents in Westchester County. While the Network has sustained itself for over 13 years, it has limited its focus to joint purchasing initiatives and lowering costs of administrative services. Within our model this would be at Stage 1, or the pooled resources phase of strategic alliances. With respect to customer impact, information on improvement in customer services is limited, with the development of the EMS services as one major accomplishment of the Network.

Case 2: Atlantic Health System, Florham Park, New Jersey

Founded in 1996, Atlantic Health System (AHS) manages two acute care hospitals providing general medical and surgical services in northern New Jersey. Its Morristown Memorial Hospital has more than 600 beds, serves as a regional trauma center, and provides specialty care in a number of areas, including cancer (through the Carol G. Simon Cancer Center); pediatric care (through Goryeb Children's Hospital); and cardiac care (through Gagnon Heart Hospital). A second facility, Overlook Hospital, has about 500 beds. In 2007 the not-for-profit system sold its third original member, Mountainside Hospital, to Merit Health Systems, a Kentucky-based for-profit hospital operator.

Atlantic Health is an example of a Stage 3 strategic alliance, where over its thirteen year existence its community hospitals have evolved into centers of excellence for provision of specialty services such as cancer, cardiac and pediatric care. It has also gone through the process of examining the effectiveness of its partner relationships, selling one of its member hospitals to an external hospital management network, to improve the focus and efficient operations of its existing facilities. As a result, Atlantic Health was ranked 75th on Fortune's "100 Best Companies to Work For" in 2009, being cited for its work-life balance, paid employee referral, and idea generation programs. It was also honored in 2007 by AARP as one of the best companies in which to work for employees over age 50. Regarding clinical outcomes, Atlantic Health received honors for the quality of its nursing care as one of the first community hospitals in the U.S. to receive Magnet Recognition in 2001 and again in 2005. When administration is interviewed about what factors are responsible for these accomplishments, mentoring and knowledge transfer programs for older, experienced nurses that team up with younger, less experienced nurses are cited as accomplishments, as well as clinical professionals searching for best practices in clinical care that can be shared with its staff. As a result, the empowerment of this workforce has resulted in lower turnover rates of staff and better patient outcomes.

CONCLUSIONS AND IMPLICATIONS FOR FUTURE RESEARCH

Much research needs to be pursued on the benefits and costs of strategic alliances to customers. Customers are the "buyers" in the marketplace. Obviously, it is important that the "sellers," i.e., the strategic alliance partners, are successful vis-à-vis their mutual internal partner relationship. The partnership would not thrive if it were not deemed successful by the respective partners. However, without a real understanding by the customer of the benefits that *it* could derive, and the costs (not necessarily financial) *it* could be assessed by engaging a strategic alliance instead of a single-firm seller, the efficacy of strategic alliances in lieu of single-firm sellers will only be partially successful. This is a conceptual paper providing a model for strategic alliances, the impact on their customers, and how this framework might explain the evolution of these alliances among community hospitals. Two community hospitals currently engaged in strategic alliances are analyzed as case studies, showing the differences in customer impact between a weaker alliance set up on the basis of economies of scale and scope (Stage 1), and a stronger formalized alliance (Stage 3) where hospitals operate as centers of excellence and quality of customer/patient care is improved.

Implications for future research include the need for further testing of the model, utilizing a mixed methods approach. Qualitative analysis could include interviews of hospital chief executives, or others familiar with customer service, quality, and financial outcomes. This could be combined with quantitative analysis to provide a comparison of clinical care and financial outcomes (increased revenues, profitability, etc.) between hospitals engaged in strategic alliances at the various stages in the model.

AUTHOR INFORMATION

Mary Helen McSweeney-Feld, Ph.D.is Associate Professor and Director of the MBA in Health Care Administration at the Hagan School of Business, Iona College, New Rochelle, NY. Dr. McSweeney-Feld has numerous grant activities and publications in the healthcare, insurance, employee compensation and benefits and human resources fields. Dr. McSweeney-Feld earned a BA from Wellesley College, a Masters in International Affairs from Columbia University, a Masters' in Philosophy in Economics from Columbia University, and a Ph.D. in Economics from the Graduate Center of the City University of New York. Prior to her academic career, Dr. McSweeney-Feld was a human resources director and economist at Equitable Life Assurance Society. She is a Certified Benefits Professional and a Certified Employee Benefits Specialist.

George L. De Feis has over 25 years of academic, NFP, corporate, consulting, and practical experience in management, education, association management, international affairs, and engineering. He is currently ABD for his doctorate in management at Pace University. He possesses an M.B.A. in finance (1987) from Bernard M. Baruch College (CUNY), and a B.E. in civil engineering (1982) from The Cooper Union. Recently, he published "Strategic decision-making: models and methods in the face of complexity and time pressure" (*Journal of General Management,* Vol. 35, No. 2, Winter 2009/10) and his textbook, *"Management Science: A Practical Approach For Today's Business Management Student"* (Thomson/Cengage 2007), is in its 2nd edition.

Suzanne Discenza, Ph.D., was recently appointed Associate Professor and Director of the Master's of Health Care Leadership program in the Hauptman School for Public Affairs at Park University in Kansas City, MO. She completed her Ph.D. in Public Affairs, with an emphasis in Health and Social Policy, at the University of Colorado at Denver and Health Sciences Center and holds an M.S. in Communication Disorders from the University of Oklahoma and B.S. in Education from Oklahoma State University. A recent transplant from Colorado, she is a Past President of the Colorado Chapter of the American Society for Public Administration (ASPA), and previously served on the Board of Directors of the Colorado Culture Change Coalition, on the Board of Directors of Urban Peak-Denver (serving homeless and runaway youth), and as Chair of the Board of Directors of Urban Peak-Colorado Springs. Dr. Discenza currently serves as President-Elect of the Greater Kansas City ASPA Chapter, was appointed to the Mayor's Homelessness Task Force in Kansas City, MO, and is Co-Chair of the Expert Policy Committee to the Missouri Health Advocacy Alliance. A health care practitioner and manager/administrator for over 20 years, her research publications have focused on health management issues, diversity, and health care concerns for disadvantaged populations, including the homeless, the disabled, aging adults, and the uninsured.

REFERENCES

1. Anonymous. (2004). Bad connections. *Strategic Direction* 20(10): 27.
2. Akmal, S. H., & Torsten, E. Lars. (2005). Success is not enough: The spectacular rise and fall of a strategic alliance between two multinationals. *Industrial Marketing Management* 34(8), 783.
3. Baum, J. A. C. (2002). *Companion to Organizations*, Chapters 2, 12, 22. (ISBN: 0631216944)
4. Beckett-Camarata, E. J., Camarata, M. R., & Barker, R. T. (1998). Integrating internal and external customer relationships through relationship management: A strategic response to a changing global environment. *Journal of Business Research*, 41, 71-81.
5. Bernard, L. S. (1999). Ambiguity and the process of knowledge transfer strategic alliances. *Strategic Management Journal*, 20(7): 595
6. Bernard, L. S. (1999). Transfer of marketing know-how in international strategic alliances: An empirical investigation of the role and antecedents of knowledge ambiguity. *Journal of International Business Studies*, 30(3): 463.
7. Bernard, L.S. (2004). An empirical investigation of the process of knowledge transfer in international strategic alliances. *Journal of International Business Studies*, 35(5): 407.
8. Bleeke, J., & Ernst, D. (1995). Is your strategic alliance really a sale? *Harvard Business Review*, 73(1), 97-105
9. Clement, J. P., McCue, M. J., Luke, R. D., Bramble, J. C., Rossiter, L. F., Ozcan, Y. A., & Pai, C. W. (1997) . Strategic hospital alliances: impact on financial performance. *Health Affairs* 16(6): 193-203.
10. Contractor, F. J., & Lorange, P. (1988). *Cooperative strategies in international business.* Lexington, MA: Lexington Books.
11. Daft, R. L. (2005). *Organization theory and design*. Cincinnati, OH: South-Western College Publishing.
12. Das, S. (1998). Impact of strategic alliances on firm valuation. *Academy of Management Journal*, Volume 41, Issue 1, 27-41.
13. Das, T. K., & Teng, B. S. (1998). Between trust and control: Developing confidence in partner cooperation in alliances. *Academy of Management Review*, 23, 491-512.
14. Das, T. K., & Teng, B. S. (2004). The risk-based view of trust: A conceptual framework. *Journal of Business and Psychology*, 19(1), 85-116.
15. Das, T. K., & Teng, B. S. (2001). Trust, control, and risk in strategic alliances: an integrated framework. *Organizational Studies*, 22(2), 251-283.
16. Das, T. K., & Teng, B. S. (2001). A risk perception model of alliance structuring. *Journal of International Management*, 7, 1-29.
17. Das, T. K., & Teng, B. S. (2000). Instabilities of strategic alliances: An internal tensions perspective. *Organization Science*, 11(1), 77-101.
18. Das, T. K., & Teng, B. S. (1996). Risk types and inter-firm alliance structures. *Journal of Management Studies*, 33(6), 827-843.
19. Diefenbacher, B, Doney, P. M., & Cannon, J. P. (1996). Trust, confidence and commodities. *Midrange Systems*, 9, 70-105.
20. Dodge, D. D., & Salahuddin, M. (1998). Strategic alliances. *Business and Economic Review*, 1, 18-20.
21. Doney, P. M., & Cannon, J. P. (1997). An examination of the nature of trust in buyer - seller relationships. *Journal of Marketing*, 61, 35-51.
22. Doney, P. M., Cannon, J. P., & Mullen, M.. R. (1998). Understanding the influence of national culture on the development of trust. *Academy of Management Review, 23,* 601-620.
23. Doz, Y. L., Olk, P. M., & Ring, P. S. (2000). Formation processes of R&D consortia: Which path to take? Where does it lead? *Strategic Management Journal*, 21(3): 239
24. Dunning, J. H., & Bansal, S. (1997). The cultural sensitivity of the eclectic paradigm. *Multinational Business Review*, 5, 1-16.
25. Eisenhardt, K. M. & Schoonhoven, C. B. (1996). Resource-based view of strategic alliance formation: Strategic and social effects in entrepreneurial firms. *Organization Science*, 7(2), 136-150.
26. Ellis, C. (1996). Making strategic alliances succeed. *Harvard Business Review*, 4, 4-5.
27. Feder, K. J., & Werther, W. B. (1996). The fourth dimension: Creating culturally responsive international alliances. *Organizational Dynamics*, 25, 39-53.
28. Foreman, S. (1997). Developing trust in buyer-seller relationships. *Manager Update*, 9(1), 10-18.

29. Gulati, R. (1995). Social structure and alliance formation patterns: A longitudinal analysis. *Administrative Science Quarterly*, 40, 619-652.
30. Gulati, R. (1995). Does familiarity breed trust? The implication of repeated ties for contractual choice in alliances. *Academy of Management Journal*, 38, 85-112.
31. Hall, R. H. (1998). *Organizations: Structures, processes, and outcomes.* Upper Saddle River, NJ: Prentice Hall.
32. Hamel, G. (1991). Competition for competence and inter-partner learning within international strategic alliances. *Strategic Management Journal*, 12, 83-103.
33. Hill, C. W. (1997). *International business: Competing in the global marketplace.* Chicago: Irwin.
34. Hofstede, G. (1983). The cultural relativity of organizational practices and theories. *Journal of International Business Studies*, 14(2), 75-89.
35. Hofstede, G. (1984). *Culture's consequences: International differences in work-related values*. Beverly Hills, CA: Sage.
36. House, R. (2004). *Culture, leadership, and organizations: The GLOBE study of 62 societies*. Thousand Oaks, California: Sage Publications.
37. Ireland R. D., Hitt, M., & Vaidyanath, D. (2002). Alliance management as a source of competitive advantage. *Journal of Management*, Vol. 28, No. 3, 413-446.
38. Johnston, R., & Lawrence, P. R. (1988). Beyond vertical integration: The rise of the value-adding partnership. *Harvard Business Review*, July-August: 94-101.
39. Judge, W. Q., & Ryman, J. A. (2001). The shared leadership challenge in strategic alliances: lessons from the US healthcare industry. *The Academy of Management Executive* Vol 15, No 2.
40. Kaluzny, A. D., & Zuckerman, H. S. (1992). Alliances: Two perspectives for understanding their effects on health care services. *Hospital and Health Services Administratio*n 37, Winter: 477-90
41. Kaluzny, A. D., Zuckerman, H. S., & Ricketts, H. C. (2002) *Partners: Forming strategic alliances in health care.* Beard Books, Chapel Hill, NC.
42. Kanter, R. M. (1994). Collaborative advantage: The art of alliances. *Harvard Business Review*, 72(4), 96-108.
43. Kotler, P. (1980). *Marketing management: Analysis, planning, and control*. Englewood Cliffs, NJ: Prentice-Hall.
44. Longest, B. B. (1994). Strategic Alliances in Healthcare. Presentation at the Association of University Programs in Healthcare Administration, San Diego, CA
45. Newman, K. L., & Nollen, S. D. (1996). Culture and congruence: The fit between management practices and national culture. *Journal of International Business Studies*, 27, 753-779.
46. Nooteboom, B. , Berger, H., & Noorderhaven, N. G. (1997). Effects of trust and governance on relational risk. *Academy of Management Journal*, 40, 308-338.
47. Oliver, C. (1990). Determinants of interorganizational relationships: Integration and future directions. *Academy of Management Review*, 15, 241-265
48. Ring, P. S., & Van de Ven, A. H. (1992). Structuring cooperative relationships between organizations. *Strategic Management Journal*, 13, 483-498.
49. Simonin, B. L. (1999). Ambiguity and the process of knowledge transfer in strategic alliances. *Strategic Management Journal*, 20(7), 595-623.
50. Smith, J. B, & Barclay, D. W. (1997). The effects of organizational differences and trust on the effectiveness of selling partner relationships .*Journal of Marketing* 6:13-21.
51. Stein, B. (2002) "Strategic Alliances: Some Lessons from Experience" in Kaluzny, A.D., Zuckerman, H.S. and Ricketts, H.C. (2002) *Partners: Forming Strategic Alliances in Health Care.* Beard Books, Chapel Hill, NC.
52. Teich, I. (1997). Holding on to customers: The bottom line benefits of relationship building. *The Secured Lender*, 53(1), 20-22.
53. Van de Ven, A. H. (1976). On the nature, formation, and maintenance of relations among organizations. *Academy of Management Review*, 1, 24-36.
54. Varadarajan, P. R, & Cunningham, M. H. (1995). Strategic Alliances: A Synthesis of Conceptual Foundations. *Journal of the Academy of Marketing Science*, 23(4), 282-296.
55. Williamson, O. E. (1985). *The economic institutions of capitalism.* New York: Free Press.
56. Williamson, O. E. (1979). Transaction-Cost Economics: The Governance of Contractual Relations. *Journal of Law and Economics*, 22(2), 233-261.

NOTES